CHAPTER II

REVIEW OF LITERATURE

2.1 REVIEW OF LITERATURE.

2.2 OBSERVATIONS FROM THE REVIEW OF LITERATURE.

2.3 HOW THE STUDY IS DIFFERENT OR SIMILAR TO OTHER STUDIES.
2.1 REVIEW OF LITERATURE:

The main findings from the review of literature have been summarised in this chapter. In this section, the review of literature has been classified as follows:

1. Historical background of Trade unions.

2. Trade Unions and Industrial Relations.

3. Trade Unions, Wage rates and Productivity.

4. Trade Unions and Workers' Participation.

5. Trade Unions and Industrial Disputes.

6. Trade Unions and Machinery for solving Industrial Disputes.

1. Historical background of Trade Unions

Fumis, E (1925) conducted an international survey in which he found that the industrial society witnessed labour problems which had its roots in social institutions like wage system, capitalized form of modern industry, factory system and separation of capitalistic and wage-earning classes. Trade unions evolved after industrialisation to elevate the economic and political status of workers. About one half of the membership of the trade unions of the world was, through their National Central Organisations, affiliated to one great International Federation.
Peterson, F (1947) in his book “Survey of Economics” has reported that although machines and mass production have materially influenced the growth and character of labour organisations, trade unions preceded the factory system. The earliest labour organizations were established in the skilled handicraft trades. The various societies in different cities united into “trades’ unions” to provide common support during strikes. Later during 1830s, members of these city and craft organisations formed a National Trades’ Union followed by The National Labour Union in 1866. The National Industrial Recovery Act and the National Labour Relations Act gave employees right to organise and to bargain collectively.

Lester, R. A (1964) had a view that unions differ in their basis of organization, ranging from craft and multi-craft to industrial and multi-industry unions. Unions showed significant international variations arising from historical, environmental and other factors. He further stated that in achieving their goals, unions must work with and through employers.

Carter, A. M (1964) in his book “Theory of Wages and Employment” observed that through contract negotiations, trade union acts as a single voice representing its members and that historically, trade unions have been primarily interested first in recognition, second in various security measures and finally in material benefits for its members.
Giri, V. V (1965) reported that in India, Guilds and Panchayats settled disputes between members and masters while some form of organisations were established during the last quarter of the 19th Century by the social workers and philanthropists after the factories were set up in India. N. M. Lokhande laid the first foundation of trade unionism. World War I, Political leaders, Russian Revolution, Swadeshi movement and International Labour Organisation (ILO) helped the growth of the movement.

Pant, S. C (1965) in his book “Indian Labour Problems” explained that since 1875 onwards a moderate form of labour movement was developed in India. The Madras Textile Labour Union was the first trade union in the modern sense being formed in 1918, the second was the Ahmedabad Textile Labour Association in 1918 and the third was the Gimi Kamgar Union in 1928. In addition to unions at plant level, Central Organisations and Federations came into existence.

Bok, D. C and J. T. Dunlop (1969) argued that union behaviour is the product of four broad influences that constantly interacts upon one another: the desire of the member, the nature and abilities of the leadership, the capacities and opinions of the subordinates and the pressures of the environment.

Punekar, S. D; S. B. Deodhar and S. Sankaran (1981) in their book “Labour Welfare, Trade Unionism and Industrial Relations” has pointed out that in India, although the labour movement started in 1875 with the Government and social workers taking up a number of measures through legislation, administration
and welfare work, the trade union movement started in 1918 when workers formed their own organisations. Trade unionism after independence showed an increase due to factors like political and industrial democracy, workers' aspirations and expectations, government labour policy and increase in Central Organisations and multi-unionism at the national level.

Verma, P and S. Mookherjee (1982) highlighted that in the industrial sector, unions were organized at the enterprise level while in service sector at industry level. At the national level there were six major central organizations namely, A. I. T. U. C; I. N. T. U. C; H. M. S; B. M. S; C. I. T. U and U. T. U. C. They also reported that the first agricultural labour union was formed in Kerala in 1939 and that the history of trade unionism in India was interspersed with many economic and political events, which moulded its growth pattern and contributed to its present strengths and weaknesses. The early support to trade unionism was provided by nationalists, social workers, humanists and philanthropists.

Isamah, A (1986) in his article titled “Professional Unionism in Nigeria” defined trade unionism as a universal phenomenon, which everywhere is concerned with protection and advancement of the interests of wage workers.
Chakravarti, K. P (1988) has analysed that the early stage of labour movement in India was that of opposition. A number of labour organizations came into existence throughout the country with humanitarian objectives but were not concerned with any trade union activities. The first labour organisation known as the Bombay Mill Hands' Association was established by N. M. Lokhande in 1884 but was not a trade union.

Sloane, A. A and F. Witney (1988) has found that during the 18th Century, the early trade unions were craft unions and the work stoppages were peaceful and short in duration.

Mamoria, C. B; S. Mamoria and S. V. Gankar (1998) observed that the setting up of large scale units, widespread use of machinery, new lines of production, changes in working and living conditions and concentration of industries in towns gave rise to a new class of workers and its exploitation and a rise in labour protests. These labour protests on an organized scale through the support of the philanthropic personalities led to the formation of trade unions. The labour movement in India started very late though the history of modern industrialization in India began as early as 1850.

In the opinion of Mishra, S (1998) factors like industrial discontentment, Russian Revolution, establishment of I.L.O, Swaraj movement have given an impetus to
the development of trade unions in the initial stages. Inspite of its weaknesses and oppositions, trade unions had importance in the social, political and economic order of the world. They formed an important organisation of the modern industrial society.

2. Trade Unions and Industrial Relations

Dr. Shukla, N. N and V. Ramaswamy (1964) in their study of six industrial establishments in Bombay City suggested that collective bargaining, Works Committees and Grievance procedure are the three structures regulating industrial relations and that trade unions can serve as a source of communication and thus promote good industrial relations. There is need to build up better industrial relations on the basis of acceptance of the principle of collective bargaining and to revive Work Committees and Grievance procedure.

Saxena, R. C (1969) presented the findings of case studies conducted in five selected units in Meerut District in August 1962. He found that the industrial relations were best of all in the units which had recognition of the union, collective bargaining, day-to-day grievance handling procedures at all levels, unions associated with the management, direct negotiations without a third party and higher wages. Measures like Code of Discipline, Grievance Procedure, Code of Conduct, Workers' participation in management, Code of efficiency would
be helpful in promoting industrial relations provided they were implemented and seriously followed.

Arya, P. P (1990) in his article titled "Impact of Union Membership on Industrial Relations" stated that during emergency, work stoppage frequency, and layoff, strikes lockouts increased and deterrent on union organisations and low productivity existed. He also found that union membership was higher in a single union structure plant and among militant unions. He pointed out that the union structure significantly influenced union membership which in turn influenced labour-management relations.

Gbosi, A.N (1993) in his article "Nigeria's Contemporary Industrial Relations: A Critical Review" defined Industrial Relations as the interaction between workers and employers, each playing a definite role to ensure that agreements are enforced and their terms respected.

Patil, B. R (1993) in his article titled "A Contemporary Industrial Relations Scenario in India: with reference to Karnataka" was of the opinion that a) the industrial relations between labour and management and their respective organisations reflected the attitudes and positions the two take on issues of mutual and / or divergent interests and concerns. These positions and attitudes ranged from rigid, conflicting, uncompromising and hostile to accommodative,
cooperative and collaborative. b) The State was an interested party in regulating and promoting peaceful industrial relations. The degree of State intervention determined the ultimate nature of Industrial Relations. c) Internal leadership was taking over the unions and played a dominant role in labour-management relations. d) Industrial relations scenario was undergoing a change. Cooperation between management and labour was more common rather than conflict; human resource management and development was fast replacing personnel management and labour relations were changing to employee relations. Trade unions were becoming more defensive and concerned with protection of jobs.

According to Shyam Sundar, K. R (1996) next to unions, works committees were important in the regulation of industrial relations. He found that in any industrial unit, industrial relations problems will arise of different kinds and magnitude. He also observed that the level of industrial relations would depend upon the extent to which regulatory structures are established and functioned within the industry. Authoritarian corporatism was not the ideal way of managing industrial relations system. Labour legislations, adjudication machinery, tri-partite forums and developmental objectives determine the institutions in the industrial relations system.
Psychological Research Institute Bombay (1996) conducted case studies in industrial relations in six units in Bombay to understand the general and specific aspects of industrial relations. Following conclusions were drawn: a) peaceful industrial system was the result of diverse factors having a bearing on the working and living conditions of workers. b) It was mainly the personality of the workers that was more essential for good industrial relations. c) Being a human problem, its solution was dependent on mutual trust and confidence among workers and employers.

Ramchandran, K; E. N. Nadar and K. U. S. Patnaik (1996) in their article "Determinants of Labour-Management Relations in Small Scale Industries" quoted a study by Sharma (1987) in which he examined the relationship between labour and management based on the dimensions of organizational climate. The findings of which were as follows: 1. Labour-management relations rated at 62.75% for the small scale industries as a whole. 2. The two highest rated dimensions were monetary benefits and welfare facilities. 3. The three lowest rated dimensions were safety and security, opportunity for advancement and objectivity and rationality. 4. Need to create a socio-economic and industrial climate and goodwill between workers and employers through abolishing contract labour, raising wages, imparting skills, opening up opportunities for promoting greater labour welfare as well as an industrial climate wherein there is no scope for exploitation of labour-management relationship was felt.
Sen, R (1997) in his article “Industrial Relations: Patterns and Trends” presented the industrial relations scenario in India as a continuum of variations as follows: 1) Union avoidance as a strategy. 2) NGOs and Unions being successful. 3) Shop floor dissent and continuous skirmishes not reflected in strike figures. 4) Use of sub-contracting and recognition of work to acquire total control over the process, unions and labour power. 5) Use of collective bargaining with a single union. 6) Combination of soft and hard approaches. 7) Introduction and use of Human Resource Management with a thrust on de-institutionalisation of labour-management relations. 8) Consultative Industrial Relations System supplementing bargaining and creating substantive participative forums. 9) Reinstating discharged union leaders, cooperation with unions.

Dhar, U and P. Mishra (2000) in their article titled “Labour Management Partnership: An Indian Perspective” strongly recommended that labour-management partnership should be a formally negotiated system of labour and management joint consultation and decision making that share broad objectives of improving employees’ work lives as well as improving the productivity and quality of the goods and services of the firm and where a common set of procedures govern the cooperative structure and frequency of interaction.

Sodhi, J. S and D. H. Plowman (2002) in their article “The study of industrial relations: A changing field” lamented that the field of Industrial Relations is a
coherent body of knowledge which links to different disciplines, which enables a person to understand, explain and organize economic and social relations, whether individual or collective, formal or informal, structured or not, and which arise or are formed within the enterprise, the firm, the sector or in the company as a whole, between workers, employers and their representative organizations, and the state, and related to their situations, needs, rights and goals sought for the production of goods and services.

They also forecasted that in future, Industrial Relations will no longer mean labour relations narrowly defined as collective bargaining and contract administration but will mean “Employee or Employment Relations” that covers the development related to the coverage of the non-unionised workers along with the unionized, the non-manufacturing workers along with the manufacturing and the white-collar workers with the blue-collar workers i.e. all relationships.

Agrawal, A. N (2003) pointed out that healthy relations signify uninterrupted production, improvement in work ethos and social stability. He further added that improved machinery for settlement, collective bargaining, promotion of congenial industrial culture promote healthy relations. Trade unions were cooperative agencies and healthy relations were key to industrial progress.

Singh, B. D (2003) in his article titled “Placing Participative Management in Right Perspective” attempted to define participative management as a concept of
“power shift” and “power equalization” – to cut excessive hierarchical control and to encourage spontaneity on the part of subordinates. He further added that the propensity to participate (willingness and ability) and participative potential (scope, inherent conflicts, mode and forms of representation, structure and forums of participative schemes) are the two basic pre-conditions for effective and meaningful implementation of participative management.

3. Trade Unions, Wage rates and Productivity

Ross, A. M (1948) in his article titled “Influence of Unionism upon earnings” reported the study of 65 industries over a period of 36 years. He discovered that within each wage class, the groups which had become highly organised also obtained greatest wage increase. He also observed that there was consistent association between the degree of organisation and increase in real earnings.

Sultan, P. E (1954) in his study of nine industrial sectors has analysed the impact of unionism on wage income ratios. He found that whatever the impact of unionism on the determination of wages, even in highly unionised industries, it has not served to increase the distributive share going to labour.

Bloom, G. F and H. R. Northrup (1977) in their book “Economics of Labour Relations” quoted a) Studies by Gregg Lewis showing average union/non-union relative wage to be approximately 10-15% higher than it would have been in the absence of union organisation.
b) Study by Albert Rees that concluded that the American unions seem to be able to raise the relative earnings of its members by 15–20%.

c) Study by Arthur Ross (1933-45) amply proved that the groups who experienced the greatest increase in unionism also showed greatest relative increase in wages.

d) Study by Richard Lester (1935–48) that speaks of no correspondence between increase in wages and changes in the extent of unionism.

Hutchinson, G and J. Treble (1984) believed that in a unionised equilibrium, under given current membership and partial equilibrium wage/employment trade-offs, unions tend to select an optimum wage/employment package.

Mathur, A N (1986) stated that the active involvement of trade unions as institutions in wage determination processes has stressed wage rates as inseparable from other considerations like recruitment, labour productivity, career prospects, union recognition, other wage bargains, organisational performance, related conditions of employment, labour costs, grievance procedures etc. The institutional framework also focused on relations between wage levels and wage structures and within wage structures – intra-organisation, inter-organisation and intra-industry comparisons.

Williams, C. G and D. Singh (1988) in their article “Liberalist Economic thought on the Role of Unions in Inflation” argued that the classical economists accepted that trade unions contributed to the downward inflexibility of wages (and
prices). In the upward swing, the product prices and profits were assumed to rise faster than resource prices, particularly wages. They also assumed that trade unions might well be involved in the process as active elements, either increasing or decreasing the labour between product and resource prices at various stages of the boom.

According to Van Hayek (neo-classical economist), union power expressed itself by influencing relative wages of different worker groups by asserting constant upward pressure on the level of money wages. While according to Gotfried Harberler, unions had power within the resource allocation process. This power was reflected in some degree of control over wages. According to Milton Friedman, increasingly strong unions could be a source of inflation, if by their actions they produced unemployment, and if a government committed to full employment expanded the quantity of money as part of a policy of eliminating unemployment.

Ramjas (1989) in his article "Trade unions and Wages: A study of selected Manufacturing industries in India" stated that a high degree of trade unionism would mean that workers were in a better position to bargain and increase the wages of workers. Unions exerted pressure and raised the money wages if not real wages. He also quoted the studies by Lewis (1963), George Johnson (1975), Freeman and Medoff (1984), Blanch Flower David (1986), Fonseca (1964) that showed persistent effect of unions on wages.
He also quoted the studies by Suri (1976) and Johri (1969) that confirmed that unions do affect at times the institutional factors like social legislation and constitution of wage boards and industrial tribunals, which in turn affect the money wage of the workers.

Singh, L (1991) in his article titled "Changes in the Inter-industry structure of Wages: The case study of Punjab" put forth that factors which affect the inter-industry structure of wages were labour productivity, capital intensity, size of establishment, concentration ratio or monopoly power of the firm and share of wage bill in value added. The first two were the dominant ones. He further added that technological factors affected significantly the inter-industry wage structure.

Freeman, R. B. and J. L. Medoff (1991) quoted the studies by Slitcher Healy and Livemash which proved that the effectiveness of managerial response to unionism was perhaps the most important determinant of what unions do to productivity. Studies by Brown and Medoff asserted that other factors remaining the same, productivity was 20-25% higher in more heavily unionised states. Studies by Leonard Allen confirmed that in construction, union - non-union productivity differences in value added ranged from 21-28%; in manufacturing obtained a positive but insignificant union effect; in cement 6-8% higher in organised than unorganised plants.
Nazmuddin, M. D (1991) in his article titled “Factors responsible for Inter-Regional Differences in Industrial Wages” highlighted the findings of the study of 40 industries in 18 states. The coefficient of correlation between average regional wage rates and structure constant productivity was 0.383, 0.381 and 0.409. The degree of unionisation was 0.237, 0.296 and 0.653 in 1974-75, 78-79 and 82-83 respectively.

Average regional wage rates were high in the regions where labour productivity and degree of unionisation was high.

Singh, B (1992) in his article titled “Labour productivity and trade unions. Some positive aspects” stressed on the point that healthy trade unionism can make a substantial contribution to labour productivity and economic development by increasing worker education, training and discipline. Trade unions have a role in persuading workers to increase productivity.

Giri, D. V; G. C. Patro and S. C. Parida (1992) propounded that the productive efficiency of a port (and perhaps any organization) can be improved considerably if the management adopts a ‘cooperative’ labour relations orientation and allows the high power union to maintain status quo and seeks its cooperation in the managements’ efforts to enhance the productive efficiency of the organization.
Saibaba, G and L. K. M. Rao (1992), advocated that labour and their unions have a role to play in creating a conducive environment for achieving higher productivity. He even suggested some guidelines for formulating attitudes conducive for higher productivity as follows: leaders should be honest, workers to be educated regarding importance and benefits of higher productivity, emphasis on internal leadership, workers' faith in dispute settlement machinery, and adoption of democratic, constitutional and peaceful methods so that negative attitude towards work may not prevail and arrest lower productivity.

Kalyankar, V. G (1993) in his Thesis titled "The Impact of Unionism on Wage Income Ratios" quoted the study by Reder, M. W which showed that a union's power to raise wages is inversely related to the ratio of its members wage bill to the total cost of a typical employer. He assumed an inverse association between this ratio and the elasticity of derived demand for the union members' services. He also assumed that the power to obtain a given wage increase over the competitive level varies among unions inversely with the cost of obtaining it, where cost includes only forgone employment. He further added that the unions with low ratios would tend to force up wage rates of their members relative to those with higher ratios.
Mohanty, K (1993) argued that in India, concepts of wage have been influenced by the State Policy as well as the various judgements of the Supreme court. Collective bargaining too has emerged as a method of wage fixation and has been adopted in almost all industries.

McConnell, C.P and S. L. Brue (1995) stated that unions do achieve a wage advantage for their constituents, although the size of advantage varies substantially by occupation, industry, gender, etc. Factors other than existence of a union like relatively fewer female workers, larger scale plants and more capital-intensive production methods explain only in part, why strongly unionized industries pay higher wages. As the union can deprive the management of its work force, the employer is willing to pay both higher wages and larger fringe benefits to avoid the cost of a strike.

Dash, J (1995) quoted Fallon Jones’ study where he explained that productivity does not play an explicit role in discrimination of wage rates, which depend on many other factors like strength or weakness of collective bargaining agents, minimum wage regulation etc. But he also quoted study by Jones (1992), which stated that during 1980s a sharp acceleration in productivity rates was quite conspicuous among the high wage industry.
Yah, L. C. and R. Chew (1998) opined that wage negotiation is an important function performed by trade unions at present. The trade unions are invited by the employer to negotiate an employment contract / collective agreement / wage settlement. Unions bargain for a real wage based on expectations about the price levels that prevail over the wage-contract period.

Kumar, A (1999) opined that in a workplace where the rights of association, collective bargaining and agreement are acknowledged and respected, trade unions can be of help in promoting the quality and productivity for growth, both directly and indirectly in cooperation with the managements as trade unions can be instrumental in creating the conditions for continuous productivity improvements by improving morale at workplace and discouraging absenteeism, motivating workers towards saving energy, raw material wastage and reducing waste in general, providing training to the workers for greater awareness regarding quality consciousness, consumer needs and benefits of higher productivity, supporting changes - technological as well as work restructuring, helping in retraining and redeployment efforts of the employers, promoting health, safety and environment protection at workplace, and encouraging discipline, pride in work and responsible work culture.

Krishnakumar, S (2003) argued that wages in low income countries were reflective of their productivity. He also opined that more than the levels of
income, it is the productivity differences that explains the wage differences internationally. Lower or higher wages reflected more on the general industrial efficiency.

4. Trade Unions and Workers’ Participation

Isamah, A (1988) in his article “Employee Participation in Management - The case of Nigeria”, propagated that employee participation in management was not in conflict with private or social ownership of capital but rather a productive activity where a group of men cooperate in a joint effort and the right to control and manage the effort rested with all the members of the group. According to him, allowing subordinates to share in decision-making process had several benefits like increased performance and labour efficiency, decreased resistance to technical change and decreased labour turnover.

He further stated that employee participation in practice was largely restricted to collective bargaining and consultation regarding issues primarily affecting welfare of workers.

Desai, A. N; J. Dholakia and G. Krishnan (1989) conducted a case study on Democracy and Oligopoly in trade unions at Cherry Orchard Staff Association (COSA). They pointed out that in reality there was absence of any democracy as they adopted whatever opinions were passed on to them without questioning. They also spoke of Case Studies of working of ten Joint Management Councils (JMCs) in
Gujarat. A simple regression model was used to test relations between number of meetings of JMCs and other dependent variables like production, mandays lost, absenteeism, improved employer-employee relationship, increase in number of suggestions. Following were the findings: 1. High correlation coefficients and highly significant at 5% level and at 8 degree of freedom. 2. JMC scheme resulted into an overall increase in production per worker, reduction in mandays lost, improved employer-employee relations, increase in number of suggestions seeking to improve the working of units at all levels and reduction in absenteeism. 3. Success of labour participation was due to its voluntary nature, clear understanding between unions and management concerning extent and area of joint management, correct attitude of both labour and management and bitterness concerning wages, D.A. and bonus.

Modi, S; K. C. Singhal and U. C. Singh (1995) in the article titled "Employer-Employee Relations: Need for Transition in Values" highlighted the findings of an attitudinal survey of the managers, trade union leaders and workers of Pepsu Road Transport Corporation. About 17.8% Trade union leaders felt management attitude was uncooperative, 30% as cooperative and 52.2% as partly cooperative. Management perceived a negative role of the unions. Workers’ participation was high in a strike and regularly paid union dues while they were apathetic to most other forms of union participation.
Christopher, S. B (1996) adopted a simple random method and a sample of 200 women workers in textile mills in Coimbatore district. Level of participation was measured through participation index and used chi-square test to determine the association of union related factors. The study concluded the following: 1. Trade unions helped in achieving one's expectations of higher wages, bonus, security, crèche facilities. 2. Significant relations were found between motive of joining, period of membership satisfaction with functioning of union. 3. Women workers willingly participated in union activities however they did not participate much in union programmes. 4. Cultural values restricted active participation.

5. Trade unions and Industrial Disputes

Chand, K. V. K (1989) in his book "Industrial Relations" analysed actual labour management relations and the working of collective bargaining by conducting an empirical study of industrial relations of seven public sector undertakings in Andhra Pradesh. He concluded that the industrial disputes in the public sector units showed a considerable increase and the climate of Industrial relations was not found to be favourable. The atmosphere was yet to be created which might ensure harmonious industrial relations.

Murty, B. S; D. V. Giri and A. K. Mohapatra (1991) in their article "Organisational Climate and Industrial Discipline: A plant level study" conducted a case study using a stratified random sample consisting of 120 workers in a
paper mill. They observed (a) Positive correlation between the state of discipline and
the organisational climate. (b) Rapid rise in magnitude of collective indiscipline.
(c) Poor organisational climate i.e. lack of manpower planning, training, health and
welfare measures, wages, grievance handling, participative management,
communication, disciplinary action as causes of indiscipline.

Kumar, K. P (1991) in his article “Relative Deprivation and Union Participation”
promulgated that workers’ dissatisfaction was the main source of conflict and that
the desire of conflict was dependent primarily upon the degree of dissatisfaction
among the workers relative to others with existing condition.

Sundaram, S. K. G (1992) in his article titled “Strikes and lockouts in India;
Past Experience and Future Perspectives” referred to the Studies by Datar (1980),
(1989), Datt (1991) and Verma (1992). In his opinion, the studies have proved
that (1) both strikes and lockouts were widely prevalent in modern times and have
increased since Independence.

(2) They adversely affected the workers, industries, economy and society as it
indicated loss of wages and production, adverse spread on industries and hardships
to consumers and the society.
(3) There was a need for speedy methods of settling industrial disputes, labour legislation and trade union leaders to be encouraged to have a professional approach to labour-management relations.

Singh, S and R. N. Singh (1992) used five criteria measures: employee involvement ratio, duration of disputes, time loss ratio, employee loss ratio and dispute coverage ratio in their study on the incidence of strikes and lockouts in India. All ratios were found to be much lower in 1976 in comparison to their levels in 1982, 1983 and 1984. Also it was noticed that the share of lockouts in the number of mandays lost have been increasing while that of strikes have been declining. It was desirable to put curb on both so as to promote work efficiency and that the welfare of the society may be protected from the disastrous effects of industrial unrest.

Sharma, N (1992) in his article titled " Strikes and Lockouts in Indian Industries " reported India as one of the leading countries in strikes and lockouts Following were the conclusions of Sharma's analysis (i) India was at the top in 1981 regarding number of working days lost and in 1982 as far as number of industrial disputes are concerned. (ii) During 1986-90, strikes were mostly caused by monetary demands and personnel matters while lockouts by indiscipline and violence by employees. (iii) Ever increasing enlightenment among trade union and their members, trade unions getting involved in economic, social and political problems,
seeking profit sharing, workers' participation, labour co-partnership and privatisation can contribute to increase in strikes and lockouts. Mutual trust and faith between unions and employers and sharing of gains of enhanced production, increased productivity and over-all economic prosperity by the employers with the workers could help in reducing industrial unrest.

Dr. Joseph J (1995) pointed out that the first regulatory initiative to industrial disputes was taken only in 1980 with the passing of the Employers and Workmen (Disputes) Act. The Trade Disputes Act was passed in 1929 followed by the passing of The Trade Disputes (Extending) Act of 1938. He also stated that The Trade Disputes Act that came into force on April 1st 1947 aimed at prevention of industrial strife, maintenance of industrial peace, establishment of harmonious relations between management and labor by means of committees, councils, arbitration and adjudication.

Sodhi, J. S (1995) in his article titled “Issues, Trends and Developments in Industrial Relations in India and other South Asian Countries” proclaimed that 1) Over the years it has been found that conflict was an inevitable aspect of a capitalistic society. 2) Strike was considered as a strategic weapon of the unions and has been recognized legally in many countries and its cause varied from unit to unit. 3) Employment related issues rather than wage related ones have now assumed considerable importance in determining industrial conflicts. 4) Since the
new economic policies have been introduced, the number of industrial disputes have not increased, but this was no indication of industrial peace. 5) For establishing sound industrial relations the management should create a new culture that introduces objective and professional policies of career planning and development, grievance handling and performance appraisal systems, delegation, autonomy, an effective communication system, and introduce genuine employee involvement, which has the potential of bringing positive results. Similarly the State had to reorient its labour policy, play an active role in creating a social security network, attempt to bring a consensus on policy matters with the unions, industry and managements as well as introduce changes in Industrial Disputes Act and the Trade Unions Act clauses related to retrenchments, layoffs, closures strikes and registration and recognition of trade unions as bargaining units.

Dhar, P. K (2002) presented the findings of the study conducted by CMIE on current position of industrial disputes in India as follows: a) There has been an improvement in the industrial scenario in India since 1990s as compared to 1980s. b) Reduction in strikes and lockouts were more prominent in public sector and central sphere. c) Mandays lost increased from 16.3 mil in 1995 to 28.8 mil in 2000. d) Andhra Pradesh, Tamil Nadu and West Bengal recorded most of the agitations. e) Coal, mining, engineering & cotton textiles had a high incidence of strikes. f) Wage and wage related issues were the important causes of disputes. g) Lockouts was a result of prolonged strikes and irresponsible trade unionism.
Trade unions should make workers understand about their duties and responsibilities along with their rights and privileges.

6. Trade Unions and Machinery for solving Industrial Disputes

Johnston, T. L (1985) explained the process of Collective bargaining as a joint effort on the part of management and workers that regulated terms and conditions; Conciliation, as one that sought to help the parties to work out its own proposed solutions; Mediation, as making recommendations for the settlement of their differences and Arbitration, as a decision making process by the outside party. He also pointed out that collective bargaining was not an end in itself and that when it failed, mediation and arbitration was used.

Rosenbloom, D. H and J. M. Shafritz (1985) propounded that Collective bargaining required an employer to recognise an union as the legitimate bargaining agent for the employees in a particular occupation, plant or other unit of work. Where collective bargaining existed, the work contract was between the union and employers thus the union become a full-fledged legal party to the work arrangement.

The word Conciliation was derived from the Latin word Conciliatus meaning to bring together, to make friendly, to win over. According to ILO, it is defined as “the practice by which the services of a neutral third party were used in a dispute as a means of helping disputing parties to reduce extent of their
differences and to arrive at an amicable settlement or agreed solution.". It is a process of rational and orderly discussion of differences between the parties to a dispute under the guidance of a conciliator. (Akilesh, K. B and S. Pandey. 1986)

Kher, M (1985) argued that the working of industrial relations system the world over demonstrated that, a certain amount of state intervention was an essential attribute of all these systems.

Desai, A. N; J. Dholakia and G. Krishnan (1989) carried out a survey on the working of ten Joint Management Councils (JMCs) in Gujarat and used simple regression model to analyse their functioning. They obtained high correlation coefficients and highly significant at 5% level. The results showed that the JMC scheme resulted in an overall increase in production per worker, reduction in number of mandays lost, improved relations, rise in number of suggestions, reduction in absenteeism.

Michael, P. V. (1991) in his book "Industrial Relations in India and Workers' Involvement in Management", commented on the study conducted among the textile workers in Bombay. A three-tier model of Workers' Involvement in Management (WIM) was suggested as an alternative in which effective communication was the primary step, while a shop floor committee and unit assembly were suggested in the second stage and third stage ensured workers' direct involvement in the
Director Board. The WLM model could replace the existing system in workers’ participation, which could help to establish cordial industrial relations and a peaceful environment.

Shenoy, P. D (1997) in his book “Strikes: How to Avoid Them” reported the study of ten major ports (Kandla, Mormugao, New Mangalore, Cochin, Calcutta, Haldia, Paradeep, Vishakapatnam, Madras and Tuticorin). He found that the industrial relations pertaining to Productivity-Linked Scheme in these ten units as crucial to the imports and export business of India, and that their workers were led by powerful unions affiliated to Central Organisations and that the country cannot afford to strike and therefore intervention by conciliation machinery became very important. Mature trade union leadership and progressive management made conciliation successful.


The responsibility for redefining industrial relations lies on Government, employers, trade unions and professionals / academicians.
2.2 OBSERVATIONS FROM THE SURVEY OF LITERATURE:

1. Trade union membership in 30 Countries was estimated in 1913 as 15,500,000 which was trebled by 1920.

2. During the Twentieth Century, trade unions grew in size and were affiliated to national and international federations.

3. The National Recovery Act and The National Labour Relations Act gave employees right to organize and bargain collectively.

4. Unions showed significant international variations arising from historical, environmental and other factors.

5. WWI, Political leaders, Russian revolution, Swadeshi movement and ILO helped the growth of unions in India.

6. In addition to unions at plant level, Central Organisations and Federations came into existence.

7. Trade unions after Independence showed an increase.

8. Early support to trade unionism was provided by nationalists, social workers, humanists and philanthropists.

9. The first labour organisation known as the Bombay Mill Hands' Association was established by N. M. Lokhande in 1884 but was not a trade union.

10. The labour movement in India started very late though the history of modern industrialisation began as early as 1850.

11. There was need to build better industrial relations on the basis of acceptance of the principle of collective bargaining.

13. Union structure significantly influenced labour management relations.

14. Labour legislations, adjudication machinery, tripartite forums and developmental objectives determined the institutions in the industrial relations.

15. Collective Bargaining, Works Committees and Grievance Redressal Procedures were necessary for regulating industrial relations.

16. Labour unions play a role in creating favourable environment (wage and welfare policy) for increasing productivity.

17. A number of economists were content that given conditions in the market favourable to the exercise of union bargaining power and union organisation resulted in a greater inflation of wages and prices than would occur in non-union economy due to dominant position of labour unions in key industries from which wage and price changes fan out rapidly in the entire economy.

18. Higher productivity appeared to go hand-in-hand with good industrial relations.

19. Average wage rates were high in the regions where labour productivity, degree of unionisation was high.

20. The percentage difference in actual average wage among several groups of labour reflected not only the relative wage effects of unionism but also the effects of other factors that may be correlated with the degree of unionisation of the groups.
21. Improvement in productivity led towards an improvement in real earnings of the employees in the organized sector.

22. Presence of clear understanding between unions and management concerning extent and area of joint management was necessary.

23. Workers (specially women) were apathetic to most forms of participation.

24. Positive relations existed between influence of personal and social factors on workers' perception of organisational climate and their resultant behaviour.

25. Needed speedy methods of settling industrial disputes, labour legislation and trade union leaders to be encouraged to have a professional approach to labour-management relations.

26. It was desirable to curb both strikes and lockouts so as to promote working efficiency and that the welfare of society may be protected from the disastrous effects of industrial unrest.

27. Mutual trust and faith between unions and employers and sharing of gains of enhanced production, increased productivity and over-all economic prosperity by the employers with the workers could help in reducing industrial unrest.

28. Government's proactive role through timely and effective conciliation, labour and industrial relations policies and programmes harmonized the interests of employers and workers.

29. Trade unions should make workers understand about their duties and responsibilities along with their rights and privileges.
30. When collective bargaining failed, conciliation, mediation and arbitration were used.

31. Workers' Involvement in Management could replace the existing system of Workers' participation, which could help in establishing cordial relations and a peaceful environment.

32. The responsibilities for redefining industrial relations lies in the hands of the government, employers, trade unions and professionals.

2.3 HOW THE STUDY IS DIFFERENT OR SIMILAR TO OTHER STUDIES:

(1) From the Review of Literature it is evident that Fumis, E. (1925), Giri, V. V. (1965), Pant, S. C (1965), Punekar, S. D.; S. B. Deodhar and S. Sankaran (1994), Chakravarti, K. P (1988) analysed the early stage of labour movement in India. They spoke of the different forms of unions as well as the factors that led to the growth of unions in India.

Trade Unions in Goa - A Comparative Study, also studies the evolution and growth of unions, with reference to the four units in Goa.

(2) Ramchandran, K. E; N. Nadar and K. U. S. Patnaik (1996) examined the relations between Organisational climate and the labour-management relations in small scale industries and found that monetary benefits and welfare facilities were the highest rated dimensions. The present study also looked into this aspect, but
is different as it was also conducted on large scale units like MPT and GSL. It also differed in its findings.

(3) According to Studies by Ross, A. M (1948), G. F Bloom and H. R. Northrup (1977) and Ramjas (1989), Trade Unions bargain better wages for the workers and hence unionized workers earn higher wages. This study also seeks to explore the role of trade unions not only with respect to wages but social impact as well.

(4) Desai, A. N; J. Dholakia and G. Krishnan (1989) in their case study emphasized that JMCs were the best form of labour participation, as it improves productivity as well as promotes healthy relations. This study examines the role of JMCs and the impact of unions and other committees in units where they are absent.

(5) Studies by Chand, K. V. K (1989) and others reported that industrial disputes increased after 1947. The present study also found that the number of disputes was large in Goa even after liberalization in 1991. The study covers grievances, disputes, its causes and the machinery to solve them.
So far, a comparative study of Trade unions in Goa has not been undertaken. This study tries to fill this gap. Desai, K. (1993) conducted a historical study on trade unions in Goa from 1936 - 1986 and D'Souza, M (2000) studied only the Industrial Relations at GSL while the present study covers the post liberalisation period with reference to Mormugao Port Trust (MPT), Goa Shipyard Limited (GSL), Colfax Private Limited and Ciba Specialty Chemicals (India) Limited.